

EXHIBIT B

1 CONFIDENTIAL - ATTORNEYS' EYES ONLY

2 UNITED STATES DISTRICT COURT
3 DISTRICT OF MINNESOTA

4 -----x

5 FAIR ISAAC CORPORATION,

6 Plaintiff,

7 v.

Court File No.
16-cv-1054 (WMW/DTS)

8 FEDERAL INSURANCE COMPANY
9 and ACE AMERICAN INSURANCE
10 COMPANY,

11 Defendants.

12 -----x

13 ***CONFIDENTIAL - ATTORNEYS' EYES ONLY***

14 VIDEOTAPED DEPOSITION OF RUSSELL SCHREIBER

15 New York, New York

16 Wednesday, October 24, 2018

17 8:52 a.m.

18
19
20
21 Reported by:

22 LYNN VAN DEN HENDE

23 CRR, RMR, RPR, CSR-NY, CSR-CA, CSR-IL

24 JOB NO: 39215
25

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2 sell it like crazy, and now you're a \$50
3 billion business, you know, good on you.
4 And, you know, we left out -- we lost out.
5 However, as soon as you have a
6 change of ownership event, either buying or
7 selling, that expanded use that you just --
8 that license is almost -- it's not null and
9 void, but it needs to be relicensed based on
10 the new entities.
11 So if -- in the context of a
12 change, expanded use in terms of growth is
13 dealt with by the change in -- in -- and,
14 again, I don't know the paragraphs and the --
15 I could find it for you -- it's been a long
16 time since I've looked at these agreements --
17 but there's language to deal with the change
18 of ownership.
19 And the other bit that happens on
20 expanded use is if you say, okay -- another
21 reason why is that, okay, I used for
22 underwriting and claims, but now I've been
23 acquired, and we haven't solved the
24 license -- the -- the ownership switch, I
25 think we say there's no expanded use, but

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2 that would deal with like another application
3 instance.
4 So it means you can't do -- I
5 forget the examples I gave. Did I say
6 underwriting?
7 So you can't do surety bonding or
8 something. I don't know.
9 But you can't use another
10 application. You can't create a new
11 application while this is being worked
12 through.
13 Q. That's expanded use?
14 A. That would be another --
15 Q. Another application would be
16 expanded use?
17 A. Right, so there's two types of
18 expanded use.
19 Once is the volume and once is
20 the -- is the solution stack or the solution
21 you're solving for.
22 Q. Okay. So you heard about the Ace
23 merger --
24 A. Right.
25 Q. -- in July of 2015?

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2 Immediately upon hearing about it
3 you determined that there would need to be a
4 change in the license?
5 A. That's right.
6 Q. And so tell me then what the
7 process was generally after you heard about
8 it.
9 A. Right. So the -- generally the
10 process was, okay, let's take a look at what
11 Ace looks like, because they were a client,
12 but a small client.
13 They were one of those people we
14 didn't know what was going on. Remember we
15 talked about earlier in the day? So they had
16 a small, very specific license.
17 But we weren't close to them.
18 We'd try to sell them. They wouldn't take
19 the phone call. So -- so it was -- the first
20 step was to kind of get smarter about who Ace
21 was.
22 And then be prepared for when
23 Chubb called us to say, hey, we're going
24 through this thing and we need to -- we need
25 to get assignment. We need to assign -- you

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2 know, we need to assign the license, that
3 we'd be in a position to have an intelligent
4 conversation.
5 Q. Did you see this as an opportunity
6 for FICO to increase its licensing revenue
7 for the Chubb license?
8 A. Did I see this as a -- it could
9 have been, yeah. It certainly could have
10 been.
11 Q. And that was a positive for FICO,
12 right?
13 A. Yeah. Revenue growth is good.
14 Yeah, yeah.
15 Q. In your view you wanted -- I mean,
16 you wanted to position FICO so that it could
17 recognize as much additional revenue as
18 possible in connection with this license
19 change?
20 A. Well, it sounds like you're saying
21 that it's a bad thing.
22 Fair revenue. Good honest, clean,
23 fair revenue, yeah, yeah.
24 If I sold it to a 12 billion
25 company, now a 30 billion company is using

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